

CITY OF HORSESHOE BAY

CITY COUNCIL PUBLIC MEETING

October 17, 2006

The Council of the City of Horseshoe Bay held a Public Meeting at City Hall, located at #1 Community Drive, Horseshoe Bay, Llano County, Texas, October 17, 2006, in accordance with duly posted notice of said meeting. Mayor Pro Tem Babcock called the meeting to order at 3:02 p.m. with a quorum of Council Members present as follows:

James E. Babcock, Mayor Pro Tem
John Bird, Alderman
Don Wood, Alderman
Karen Wines, Alderwoman
Buddy Schrader, Alderman

The posted agenda for this meeting is made a part of these minutes by attachment and the minutes are herewith recorded in the order the agenda items were considered with the agenda subject and item number shown preceding the applicable paragraph.

1. Call to Order and Establish a Quorum: Mayor Pro Tem Babcock called the Public Meeting to order at 3:02 p.m. with a quorum present. Reverend Johnny White from the Church at Horseshoe Bay led the invocation. Mayor Pro Tem Babcock then led the pledge of allegiance to the United States Flag and the Texas Flag.
2. Comments from Mayor Pro Tem: Babcock announced that Jimmie Lapham will be succeeding to the office of President of the HSB POA. Don Gudinas has resigned the office.
3. Comments from Aldermen: Alderman Schrader stated that he was involved in the Doyle W. Wyatt Safety Program Golf Tournament and commended the staff on their efforts. He also asked City General Manager Thuss to contact The Waters concerning their construction area. Mr. Thuss stated a meeting took place yesterday and the contractor will be making a better effort to see that closer attention is paid to keeping the street and surrounding area clean of construction material.
4. Public Comments: There were no Public Comments.
5. Items to be Removed from Consent Agenda: Item 6c was removed from the Consent Agenda. Alderman Bird questioned whether any depreciation was figured into the charges for this service. Alderman Wood made the motion to remove this item from the consent agenda. Alderman Bird seconded the motion. The motion passed unanimously (5-0).

6. c. Agreement Regarding Firefighting Services Between the City of Horseshoe Bay and Oak Ridge POA, Llano County MUD#1, The Hills Section I & II POA and The Hills Section III POA. After further discussion it was decided to renew the Firefighting Agreement as written with the proviso that depreciation would be calculated into the

cost for the FY2008. Alderman Wood made the motion to approve. Alderman Bird seconded the motion. The motion passed unanimously (5-0).

6. Consent Agenda Items: Alderman Schrader made the motion to approve the remaining Consent Agenda items.
 - a. Minutes of the September 19, 2006 Public Meeting
 - b. Final Plat Approval:
 - i. Replat of Lot W10002 Horseshoe Bay West, Plat No. W10.1, Llano County Texas to be known as Horseshoe Bay West, Plat No. 10.6
 - ii. Replat of an 11.09 Ac Tract, a 37.861 Ac Tract, and a 2.69 Ac Tract, to be in Escondido, and Lot No. W34036 of Horseshoe Bay Plat No. 34.7, to be known as Lago Escondido
 - d. Name Changes to Existing Streets in City
 - i. Granite Shoals changed to Springfield
 - ii. Long Branch changed to Long View
 - iii. Lost Creek changed to Lost Stream
 - iv. Ridgeview changed to Grand View
 - v. Sidesaddle changed to Conestoga
 - vi. Whitetail changed to Arapaho
 - e. Street Name Approvals
 - i. Springfield
 - ii. Long View
 - iii. Lost Stream
 - iv. Grand View
 - v. Conestoga
 - vi. Arapaho
 - f. Interlocal Agreement with Llano County for Jail Services
 - g. Sandy Harbor Wholesale Diversion, Treatment, and Potable Water Service Agreement
 - h. Contract for Utility Uniform Rental Service
 - i. Contract for Central Water Plant's Administration Building

The motion was seconded by Alderwoman Wines. The motion passed by unanimous vote (5-0).

7. Presentation on Barrington Square Development: Developer Dan Robbins from Los Angeles, CA. stated he sees the development as mixed use, something that will continue to mature and serve a purpose for the citizens of Horseshoe Bay. There will be a variety of specialty stores in a village setting utilizing the pond and maybe a park. He would like it to compliment the Yacht Club as well as the Marriott. The specific area is five acres behind American Bank of Texas. Mr. Robbins stated he would have a more formal presentation at a later date. Mr. Fred Barrington stated due to the importance of the project to him the project has been in the works for 9 years. There are no signed leases at this point because they want to have something more concrete concerning the design prior to leasing. Mr. Robbins stated he did not feel leasing would present a problem.

8. Presentation on Aquatic Vegetation in Lake LBJ: John Wedig from LCRA Water Quality Division stated recently hydrilla was discovered in an area near Lighthouse Drive. LCRA's policy is to aggressively attack hydrilla when it is found. It dominates the other vegetation in the lake and can grow as much as 1 inch per day. Hydrilla can accumulate on the intake screens of the power plants causing them to have to be shut down in order to clear it out. Hydrilla was discovered two years ago near Beaver Island on Lake LBJ and LCRA used a systemic herbicide in one section, however it has use restrictions. They also used another herbicide called Nautique, a copper based herbicide, on two other sections. Nautique has no use restrictions. He stated after two years there has been no recurrence of hydrilla in these areas. LCRA will use Nautique on the Lighthouse Drive area. They anticipate treating this area October 25, 2006, weather permitting. Mayor Pro Tem Jim Babcock stated that Mayor Lambert feels that the condition of Lake LBJ affects property value of the entire City and the Council will keep this item in the forefront so they can address this problem as needed, perhaps funding some treatment to affected areas. Currently, LCRA does not treat any vegetation in lakes except hydrilla, water hyacinth and giant salvinia and they pay for treatment to control these. Many of the other types of vegetation are considered native plants and can be a nuisance; they usually do not cause widespread problems with floodplain control or power generation.

Regular Meeting Adjourned for a Recess: At 4:00 p.m., Mayor Pro Tem Babcock announced that the meeting would adjourn for a short recess.

Regular Meeting Resumed: At 4:05 p.m., Mayor Pro Tem Babcock reconvened the meeting.

10. Formation of a Committee to Lead Evaluation of Possible Ordinances Related to Lifestyle Issues: Mayor Pro Tem Babcock suggested different formats to discuss and vote on the members of this committee. He expressed his appreciation to all of the volunteers, stating he felt there was a great deal of talent in these groups and was sure all of them could be utilized at some point to assist with Council projects. Alderwoman Wines stated she would like to see everyone that applied serve on these committees. Alderman Schrader stated in his experience he felt a committee of five would work better for the Lifestyle Issues. He felt twelve would not be as efficient. Alderman Wood added that he felt the committees should be made up of an odd number of participants for voting purposes. He then stated that he thought a Resolution was passed that specified the number of committee members. Alderwoman Wines disagreed. Alderman Babcock said there are rules a public entity must follow that a private entity does not. After reviewing the minutes from the previous meeting, it was agreed the committees would be comprised of three members on the Sales Tax committee and five on the Lifestyle Issues committee. Council agreed it would be appropriate if the committees wanted to come back to the Council to ask more members be added at a later time that they would be chosen from the group of applicants not selected at this time. It was also agreed that a paper ballot would be used. Babcock then asked ballots to be distributed for voting. After four ballots, Jean Anderson, Larry Glass, Jim Long, Hank Mitchell and Ilene Perkett were selected for this committee. A copy of the ballots and summaries are attached and made a part of these minutes.

9. Formation of a Committee to Lead Evaluation of a Possible Sales Tax: Mayor Pro Tem Babcock again asked for ballots to be distributed. After two ballots, Jerry Dunn, Bob Lowry

and Neal Younker were selected to serve on this committee. A copy of the ballots and summaries are attached and made a part of these minutes.

11. General Manager's Report: General Manager Mike Thuss stated the typical reports were included in the Council's packet. There is \$8.255 million in all accounts and the rate of return is 5.265% which is up .029%. All reserve accounts and debt service accounts have the required funds in them. Tax collections are 98.85% for the year. Llano County has collected 99.05%, a record year and Burnet County collected 97.21%. The average is 98.85% which is .14% better than last year. Standby collection rate which the City will not have next year was 91.28% up 2.65% from last year. A complete copy of the General Manager's report is attached and made a part of these minutes. Police Chief Bill Lane gave a progress report concerning the operation of the City's Police boat. A copy of this report is attached and made a part of these minutes. A motion was made by Alderman Schrader to approve the General Manager's report. The motion was seconded by Alderwoman Wines. The motion passed unanimously (5-0).
12. Preliminary Plats: Alderman Wood made the motion to approve the preliminary plats. Alderman Bird seconded the motion. The motion passed unanimously (5-0).
13. Escondido/Lake LBJ MUD Defined Area Bonds: Mayor Pro Tem Babcock explained he is currently working with City Attorney Monte Akers to draft a Resolution to request the State allow Defined Area Bonds be sold for the Escondido development due to the agreement between Lake LBJ Mud and the developer of Escondido prior to the incorporation of the City. No action was taken and the Resolution will be on the November 2, 2006 agenda.
14. Deerhaven Request for Firefighting Service: Tom Armagost requested the Council reconsider an Interlocal Agreement with Deerhaven to provide Firefighting service. After discussion it was decided not to enter into an agreement at this time in part due to the area not having adequate water supply to do the job in all areas of the community and the liability issue it could present the City. Mayor Pro Tem Babcock suggested they might consider approaching Sunrise Beach, Sandy Harbor, Deerhaven and Blue Lake to form a joint firefighting service for the affected communities.
15. Possible Annexation of 1,617 Acres: Mayor Pro Tem Babcock stated Mayor Lambert had met numerous times with the developer of this project and more recently Babcock, Alderman Bird and City Attorney Akers met with Sam Martin and his attorney in order to review some of the issues concerning the annexation. The Council will go into Executive Session in order to discuss this with legal council.
16. Schedule a Regular Meeting and a Workshop on Compensation Policy for December 12, 2006: Mayor Pro Tem Babcock announced the final meeting of the current Council will be November 2, 2006. The new council members will be sworn in prior to the November 28, 2006 meeting. The final Regular meeting of 2006 will be scheduled for December 12, 2006 at 3:00 p.m. with a Workshop scheduled for noon of the same day. Alderman Schrader made a motion to approve the meetings as scheduled. Alderwoman Wines seconded the motion. The motion passed unanimously (5-0).

Regular Meeting Adjourned for a Recess: At 5:23 p.m., Mayor Pro Tem Babcock announced that the meeting would adjourn for a short recess.

Regular Meeting Resumed: At 5:30 p.m., Mayor Pro Tem Babcock reconvened the meeting.

Executive Session: At 5:30 p.m., Mayor Pro Tem Babcock announced that the Council would go into Executive Session to seek advice from its attorney pursuant to Section 551.071 of the Texas Open Meetings Act to discuss matters in which the duty of the attorney to the Council under the attorney's ethics rule clearly conflict with the Open Meetings Act.

Regular Meeting Resumed: At 6:40 p.m., the Executive Session having ended, Mayor Pro Tem Babcock resumed the Regular Meeting and announced that no action or votes had been taken in the Executive Session.

17. Adjournment: Alderwoman Wines made the motion to adjourn the meeting at 6:41 p.m. Alderman Schrader seconded the motion. The motion passed unanimously (5-0).

APPROVED this 2nd day of November, 2006.

/S/
Robert W. Lambert

ATTEST:

/S/
Toni Vanderburg, City Secretary